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## **ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021**

The board of directors (the “Board”) of Carry Wealth Holdings Limited (the “Company”) presents the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2021.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **OVERVIEW**

The Group’s principal activity is manufacturing and trading garment products for internationally renowned brand names. The Group utilizes its production facilities in Heshan, Mainland China, and engages overseas subcontractors for its manufacturing process.

In addition, the Group has a securities investment business segment that trades securities listed on the Hong Kong Stock Exchange. Concerning the volatile stock market, the Group continues to adopt a conservative investment strategy during the year.

#### **RESULTS**

For the year ended 31 December 2021, the Group’s revenue amounted to HK\$441.2 million (2020: HK\$290.5 million), and gross profit totalled HK\$61.1 million (2020: HK\$47.0 million). The increase in revenue and gross profits for the year was mainly due to the rise in customer orders and sales volume. Loss attributable to equity holders was HK\$0.02 million (2020: HK\$15.3 million), and basic and diluted loss per share were both 0.00 HK cents (2020: 1.87 HK cents).

## **MARKET AND BUSINESS REVIEW**

### ***Garment manufacturing and trading segment***

The COVID-19 Pandemic (“Pandemic”) continued to impact the way in which businesses are operated in 2021. With the launch of vaccines and the implementation of economic recovery measures, the global economy is showing signs of recovery. Meanwhile, the new variants of viruses, such as Delta and Omicron, had put pressure on the momentum of the recovery. Under this challenging and unstable business environment, the Group has adopted several cost control measures such as reducing rental and operating costs, in order to reduce the impact of the pandemic and other unfavourable factors.

Caused by the lockdown measures and port restrictions in 2020, the lean inventory levels had caused global brands to place more production orders compared with 2020. Thus, the segment revenue increased 51.7% to HK\$441.1 million (2020: HK\$290.8 million).

The US and Europe regions remained the predominant geographical regions of our garment manufacturing and trading business and contributed 84.3% (2020: 87.7%) of segment revenue, which amounted to HK\$371.8 million (2020: HK\$254.7 million).

With the global economic recovery, the rebound in consumer demand has increased demand for international shipment containers as well as freight cargo space, which in result has tighten the international shipment capacity. It has led to a continuing surge in logistic costs for raw materials sourcing. The rising raw material prices and labour costs are other significant headwinds that the Group has continued to face. The gross profit margin has decreased to 13.9% (2020: 16.2%). Nevertheless, the segment has recorded a profit of HK\$13.8 million (2020: loss of HK\$0.7 million) with increased sales and cost control measures.

We have continued allocating customer orders to our subcontracted factories in South East Asian countries including Cambodia and Indonesia. The contributions from products of South East Asian countries increased to 47% (2020: 37%), and our Heshan Factory contributed the remaining 53% (2020: 63%).

### ***Securities investment segment***

In 2021, many countries adjusted their anti-epidemic policies from time to time, and the Mainland China regulators had strengthened the supervision of many industries. Especially, the anti-monopoly actions on digital industry have triggered investors' concerns, and all related stock prices have fallen from high levels. In addition, many countries are deeply troubled by high inflation, and central banks such as the Federal Reserve have adjusted their loose monetary policies. As a result, the global capital market is much more volatile than in previous years. The Hang Seng Index (“HSI”) dropped 14.1% in 2021 to close at 23,397 points (2020: 27,231 points). The HSI fluctuated between 22,665 points and 31,183 points.

The Group continued to adopt a conservative investment strategy for 2021. The securities investment business recorded a fair value loss of HK\$0.06 million (2020: HK\$0.4 million).

### ***Other businesses***

Concerning the Group's investment in an associate, as disclosed in the Company's 2020 annual report, the management of the associate processed the dissolution of the associate by members' voluntary liquidation, and the associate was dissolved in January 2021.

## **FINANCIAL REVIEW**

### ***Administrative and other operating expenses***

Administrative and other operating expenses decreased 7.6% to HK\$50.2 million (2020: HK\$54.3 million), mainly due to cost-control measures implemented.

### ***Selling and distribution expenses***

The ratio of selling and distribution expenses to garment manufacturing and trading revenue decreased to 3.2% (2020: 3.5%).

### ***Finance expense***

Finance expense increased 77.0% to HK\$1.8 million (2020: HK\$1.0 million). The increase was mainly due to finance charges in relation to factoring arrangement for maintaining a healthy cash flow.

### ***Other income and gains***

During the year under review, other income and gains amounted to HK\$4.9 million (2020: HK\$3.1 million), which mainly came from compensations from customers for cancelled orders and suppliers for late shipments.

### ***Liquidity and Financial Resources***

Adhering to a conservative financial management methodology, the Group continued to maintain a healthy financial position. As of 31 December 2021, the Group's cash and cash equivalents was HK\$97.5 million (2020: HK\$87.1 million). The pledged bank deposits of approximately HK\$46.5 million (2020: nil) represent deposits pledged to banks to secure short term loans and are therefore classified as current assets. Working capital represented by net current assets amounted to HK\$85.6 million (2020: HK\$78.5 million). The Group's current ratio was 1.7 (2020: 1.9).

Bank borrowings comprised term loans of HK\$65.0 million (2020: HK\$20.0 million), which were repayable within one year. The bank loans were denominated in Euro and US Dollars.

### ***Capital Expenditure***

For the year under review, the Group incurred a total capital expenditure of HK\$2.8 million (2020: HK\$0.8 million).

To better monitor the increasing production scale in Cambodia, the Group has set up a new administration office nearby its existing key subcontractors via leasing arrangement. As of 31 December 2021, the Group had invested HK\$2.0 million of fixed assets in Cambodia. The remaining capital expenditure of HK\$0.8 million was mainly related to replacing obsolete office equipment and leasehold improvement for the Heshan factory.

### ***Foreign Exchange Exposure***

The Group's sales are principally transacted in US dollars. With a factory in Mainland China and offices in Hong Kong and Mainland China, operating expenses of the Group are primarily settled with Hong Kong dollars, Renminbi, and US dollars. The Group also has bank loans denominated in Euro and US dollars.

As the Hong Kong dollar is pegged to the US dollar, exposure to US dollars foreign exchange risk is minimal. The Group will closely monitor the fluctuation of the other foreign currency exchange rates and, if necessary, enter into foreign currency forward contracts to reduce such fluctuation risks. As at 31 December 2021, the notional amounts of the outstanding forward contracts were 2.0 million in US dollars.

### ***Credit Policy***

Consistent with prevailing industry practice, the Group's business was transacted on an open account basis with its long-standing customers during the year. The credit ratings of customers are constantly reviewed and their respective credit limits will be adjusted, as and when necessary.

### **CHARGES ON ASSETS**

As at 31 December 2021, the Group's land use rights of HK\$9.1 million (2020: HK\$9.1 million), buildings of HK\$57.7 million (2020: HK\$51.9 million) in Heshan, Mainland China and deposits of HK\$46.5 million (2020: nil) were pledged as security for the Group's bank borrowings.

### **CONTINGENT LIABILITIES**

As at 31 December 2021 and 2020, the Group had no contingent liabilities.

## **HUMAN RESOURCES AND REMUNERATION POLICIES**

The Group provides a harmonious working environment to employees whose commitment and expertise are critical to the long-term success of its business. The Group offers employees rewarding careers and provides them with a variety of training programs aimed at enhancing their professionalism. It rewards employees according to prevailing market practices, individual experience and performance. To attract and retain high caliber employees, the Group also offers discretionary bonuses and share options to staff members based on performance of the individual as well as the Group.

As at 31 December 2021, the Group's had 491 full-time employees (2020: 487).

## **ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY**

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Board has overall responsibility for the Group's environmental, social and governance ("ESG") strategy. The Board is responsible for ensuring appropriate and effective risk management and internal control systems to mitigate ESG-related risks and meet stakeholders' needs and expectations. The Group's ESG management team is assigned key responsibilities, including monitoring the implementation of ESG strategic plans, alerting the Board of any potential ESG-related risks, reporting to the Board about the effectiveness of the ESG system and reviewing stakeholders' needs and expectations.

A full 2021 ESG report is being prepared with reference to Appendix 27 of the Environmental, Social and Governance Reporting Guide pertaining to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), and will be published on the Group's and the Stock Exchange's websites before 31 May 2022.

## **OUTLOOK**

2022 will continue to be challenging for the Group concerning risk factors that affect the global economy. The Pandemic is still unpredictable and the new variants of viruses show that the it is yet over. The global inflation rate is expected to rise and the US government will likely tighten its fiscal policy to cope with the rising inflation. It may further accelerate the trend of RMB appreciation in recent years. This will be unfavourable to the Group being an exporter with manufacturing production in Mainland China. The business environment of the apparel industry remains volatile by the prices fluctuations of both raw materials and labour costs. Furthermore, logistics costs are expected to remain high until the international shipment capacity.

Consumer demand including apparel products will continue to rebound strongly as people are beginning to adapt to the "New Normal" under the Pandemic. Our staff has always been putting efforts to strive for additional production orders from our customers.

As mentioned in our 2021 interim report, the result of our strategic changes in shifting production to South East Asian countries is satisfactory in terms of gross profit margin and stability. We will further expand the production scale in these countries. We believe this strategy can protect the overall performance of our garment manufacturing and trading

business from the political risk factors. Furthermore, since the transactions with our foreign subcontractors and suppliers are dominated in USD, it can also relieve the pressure on RMB appreciation in recent years.

Regarding the Hong Kong stock market, the market outlook for 2022 has seen several positive signals. The return of Chinese Concepts Stocks, and the good news that the Pandemic will slow down with the support of the government and possible customs clearance between Mainland China and Hong Kong are expected to further improve the performance of the Hong Kong stock market. However, the Hong Kong stock market is still under great pressure in 2022. On the one hand, China's new regulations such as the double reduction policy for education, national data security and anti-monopoly mechanisms will still put pressure on the market; on the other hand, global trade tension and potential risks of regional military conflicts still exist. In addition, the Fed's fiscal tightening has also led to a decrease in incremental capital inflows into Hong Kong stocks. It is expected that in 2022, the performance of the Hong Kong stock market will remain volatile. Therefore, the Group will maintain a cautious attitude towards its securities investment business.

Looking ahead, we will continue focusing on our existing garment manufacturing and trading business. We will monitor the impacts of the macroenvironment factors and adjust the Group's operation strategies accordingly.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: nil).

## **ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS**

The annual general meeting ("AGM") of the Company is scheduled to be held on Friday, 20 May 2022. The notice of the 2022 AGM will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course. The register of members of the Company will be closed from Tuesday, 17 May 2022 to Friday, 20 May 2022, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the 2022 AGM of the Company to be held on Friday, 20 May 2022, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer agent in Hong Kong, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 16 May 2022.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Revenue	3	441,171	290,515
Cost of sales		<u>(380,083)</u>	<u>(243,491)</u>
<b>Gross profit</b>		<b>61,088</b>	47,024
Other income and gains	4	4,920	3,104
Selling and distribution expenses		(14,237)	(10,179)
Administrative and other operating expenses		(50,166)	(54,253)
Finance income	6	187	53
Finance expense	6	<u>(1,811)</u>	<u>(1,023)</u>
<b>Loss before taxation</b>	5	<b>(19)</b>	(15,274)
Income tax expense	7	<u>-</u>	<u>-</u>
<b>Loss for the year attributable to equity holders of the Company</b>		<u><b>(19)</b></u>	<u>(15,274)</u>
<b>Other comprehensive income</b>			
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Gain on revaluation of properties, net of tax		8,995	2,235
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of overseas operations		117	986
Other comprehensive income for the year, net of tax		<u>9,112</u>	<u>3,221</u>
<b>Total comprehensive income (expense) attributable to equity holders of the Company</b>		<u><b>9,093</b></u>	<u>(12,053)</u>
<b>LOSS PER SHARE – (HK CENTS)</b>			
- Basic and diluted	8	<u>-</u>	<u>(1.87)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2021

	Notes	2021 HK\$'000	2020 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		69,874	62,737
Right-of-use assets		9,886	12,123
Investment in an associate		-	-
Investment in a joint venture		-	-
Deposit and other receivables	9	-	724
		<u>79,760</u>	<u>75,584</u>
<b>CURRENT ASSETS</b>			
Inventories		60,532	39,305
Trade and other receivables	9	49,263	41,815
Financial assets at fair value through profit or loss ("FVTPL")	10	2,124	2,454
Cash and bank balances		97,546	87,098
		<u>209,465</u>	<u>170,672</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	58,183	69,933
Lease liabilities		663	2,222
Bank borrowings		64,989	20,013
		<u>123,835</u>	<u>92,168</u>
<b>NET CURRENT ASSETS</b>		<u>85,630</u>	<u>78,504</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>165,390</u>	<u>154,088</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		-	790
Deferred tax liabilities		17,045	14,046
		<u>17,045</u>	<u>14,836</u>
<b>NET ASSETS</b>		<u>148,345</u>	<u>139,252</u>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2021

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>81,804</b>	81,804
Reserves	<b>66,541</b>	57,448
<b>TOTAL EQUITY</b>	<b>148,345</b>	139,252

# NOTES TO THE FINANCIAL STATEMENTS

## 1 General information

Carry Wealth Holdings Limited (the “Company”) is a public company incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Dragon Peace Limited, a company incorporated in the British Virgin Islands. The ultimate controlling party is Mr. Li Haifeng, a director of the Company.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are manufacturing and trading of garment products, and securities investment. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “corporate information” to this annual report.

The consolidated financial statements are presented in HK\$, which is the Company’s functional currency and the Group’s presentation currency.

## 2 Basis of preparation and changes in accounting policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for buildings and financial instruments that are measured at fair values, at the end of each reporting period.

In the application of the Group’s accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements.

In the current year, the Group has applied, for its first time, the following amendments to HKFRSs issued by the HKICPA, which are effective for the Group’s financial year beginning 1 January 2021.

Amendment to HKFRS 16	Covid - 19 - Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform - Phase 2

The application of the amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

*New and revised HKFRSs issued but not yet effective*

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and related Amendments <sup>3</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>3</sup>
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts: Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021 <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 Cycle <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 April 2021.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

### 3 Revenue and segment information

	2021 HK\$'000	2020 HK\$'000
<u>Revenue from contracts with customers</u>		
Revenue from garment manufacturing and trading*:		
Sale of garment products	440,402	290,410
Sale of scrap materials	692	350
	<u>441,094</u>	<u>290,760</u>
<u>Revenue from other sources</u>		
Securities investment:		
Fair value loss on financial asset at FVTPL	(61)	(369)
Dividend income from listed equity securities	138	124
	<u>77</u>	<u>(245)</u>
	<u>441,171</u>	<u>290,515</u>

\*Revenue from garment manufacturing and trading is recognised at a point in time.

Information reported to the board of directors, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on operation nature.

#### Segment revenues and results

The following is an analysis of the Group’s revenue and results by reportable operating segments.

*For the year ended 31 December 2021*

	Garment manufacturing and trading HK\$'000	Securities investment HK\$'000	Total HK\$'000
<b>REVENUES</b>			
Reportable segment revenue- external	<u>441,094</u>	<u>77</u>	<u>441,171</u>
Reportable segment profit (loss)	<u>13,830</u>	<u>(4,884)</u>	8,946
Unallocated other income and gains			1,117
Corporate administrative expenses			(10,004)
Finance expense			<u>(78)</u>
Loss before tax			<u>(19)</u>

*For the year ended 31 December 2020*

	Garment manufacturing and trading HK\$'000	Securities investment HK\$'000	Total HK\$'000
<b>REVENUES</b>			
Reportable segment revenue- external	<u>290,760</u>	<u>(245)</u>	<u>290,515</u>
Reportable segment loss	<u>(650)</u>	<u>(5,117)</u>	(5,767)
Unallocated other income and gains			1,322
Corporate administrative expenses			(10,661)
Finance expense			<u>(168)</u>
Loss before tax			<u>(15,274)</u>

Segment profit (loss) represents the profit (loss) from each segment without allocation of corporate administrative expenses, certain other income and gains and certain finance expense. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Reconciliations of reportable segment assets and liabilities

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
<b>ASSETS</b>		
Garment manufacturing and trading segment assets	<b>275,323</b>	223,375
Securities investment segment assets	<b>3,734</b>	3,634
Unallocated corporate assets	<u><b>10,168</b></u>	<u>19,247</u>
Consolidated total assets	<u><b>289,225</b></u>	<u>246,256</u>

Segment liabilities are measured in the same way as in the consolidated financial statements. These liabilities are allocated based on the operations of the segment.

## Geographical information

	<u>Revenue from external customers</u>		<u>Non-current assets*</u>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
USA	<b>253,494</b>	169,304	-	-
Mainland China	<b>1,534</b>	258	<b>73,029</b>	66,804
Europe	<b>118,350</b>	85,440	-	-
Hong Kong	<b>21,576</b>	13,570	<b>4,835</b>	8,056
Other regions	<b>46,217</b>	21,943	<b>1,896</b>	-
	<b>441,171</b>	290,515	<b>79,760</b>	74,860

\*Non-current assets excluded financial instruments.

## **4 Other income and gains**

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Gains on disposal of properties, plant and equipment	-	14
Government subsidies <sup>1</sup>	<b>109</b>	970
Interest income from structured deposits	<b>427</b>	244
Consultancy fee <sup>2</sup>	<b>300</b>	600
Secondment service fee <sup>3</sup>	<b>817</b>	-
Fair value gain on financial derivatives at FVTPL	<b>366</b>	646
Insurance claim	-	288
Compensation from suppliers	<b>964</b>	-
Exchange gain, net	<b>1,560</b>	-
Others	<b>377</b>	342
	<b>4,920</b>	3,104

<sup>1</sup>During the year ended 31 December 2021, government subsidies of approximately HK\$109,000 (2020: nil) have been recognised which were designated for the encouragement of business development.

During the year ended 31 December 2020, the Group recognised government grants of HK\$970,000 (2021: nil) in respect of COVID-19-related subsidies, of which an amount of HK\$868,000 (2021: nil) is related to Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund.

There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

<sup>2</sup>During the year ended 31 December 2021 and 2020, the Group provided consultancy service related to garment manufacturing business operation.

<sup>3</sup>During the year ended 31 December 2021, the Group provided secondment service of personnel involved in securities investment for a fixed period of time pursuant to secondment service agreements (2020: nil).

## 5 Loss before taxation

Loss before taxation has been arrived at after charging:

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Auditor's remuneration	<b>933</b>	927
Depreciation on:		
- Property, plant and equipment	<b>8,173</b>	7,576
- Right-of-use assets	<b>2,480</b>	2,463
	<b>10,653</b>	10,039
Employee benefits expenses (including directors' emoluments)		
- Salaries, allowances and benefits in kind	<b>67,352</b>	65,625
- Contributions to retirement benefits schemes	<b>2,256</b>	1,809
Total staff costs	<b>69,608</b>	67,434
Exchange loss, net	-	522
Cost of inventories recognised in profit or loss (including provision of inventories)	<b>282,076</b>	174,422
Subcontracting and processing charges	<b>98,007</b>	69,069

## 6 Finance expense, net

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Interest income on short-term bank deposit	<b>187</b>	53
Total finance income	<b>187</b>	53
Interest expense on borrowings	<b>(1,703)</b>	(526)
Interest expense on employee's loan advances	<b>(30)</b>	(329)
Interest expense on lease liabilities	<b>(78)</b>	(168)
Total finance expense	<b>(1,811)</b>	(1,023)
Finance expense, net	<b>(1,624)</b>	(970)

## 7 Income tax expense

No provision for Hong Kong Profits Tax has been provided as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the years ended 31 December 2021 and 2020.

No provision for Enterprise Income Tax of the PRC has been made as the Group did not have any assessable profits subject to tax in the Mainland China for the years ended 31 December 2021 and 2020.

## 8 Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Loss attributable to equity holders of the Group	<u>(19)</u>	<u>(15,274)</u>
	<b>Number of</b> <b>shares</b> <b>(thousands)</b>	Number of shares (thousands)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u><b>818,042</b></u>	<u>818,042</u>

The number of shares for the purpose of basic and diluted loss per share is the same as the Group has no potential ordinary shares in both years.

## 9 Trade and other receivables

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Trade receivables	<b>40,356</b>	35,920
Deposits and other receivables	<b>5,377</b>	5,450
Prepayments	<u><b>3,530</b></u>	<u>1,169</u>
	<u><b>49,263</b></u>	<u>42,539</u>



The following is an aged analysis of trade receivables presented based on the invoice date, at the end of the reporting period.

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Within 30 days	<b>17,815</b>	19,716
31 – 60 days	<b>8,885</b>	7,780
61 – 90 days	<b>7,723</b>	5,729
Over 90 days	<b>5,933</b>	2,695
	<b><u>40,356</u></b>	<b><u>35,920</u></b>

#### **10 Financial assets at fair value through profit or loss**

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Equity securities listed in Hong Kong	<b>1,747</b>	1,808
Financial derivative - Foreign currency forward contracts	<b>377</b>	646
	<b><u>2,124</u></b>	<b><u>2,454</u></b>

#### **11 Trade and other payables**

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Trade payables	<b>40,962</b>	41,449
Accruals and other payables	<b>11,519</b>	12,904
Bonus payables	<b>5,702</b>	13,528
Employees' loan advances	<b>-</b>	2,052
	<b><u>58,183</u></b>	<b><u>69,933</u></b>

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Within 30 days	<b>21,635</b>	15,566
31 – 60 days	<b>17,107</b>	19,393
61 – 90 days	<b>810</b>	4,356
Over 90 days	<b>1,410</b>	2,134
	<b><u>40,962</u></b>	<b><u>41,449</u></b>

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year under review.

## **REVIEW OF FINANCIAL INFORMATION**

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2021. The Audit Committee comprises the three independent non-executive directors, namely Mr. Wang Shiming, Mr. Yau Wing Yiu and Mr. Zhang Zhenyi.

## **CORPORATE GOVERNANCE CODE**

The Company has complied with all the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules throughout the year ended 31 December 2021 except for the following deviations.

According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Li Haifeng has assumed both the roles of chairman and chief executive officer of the Company since 1 April 2017. The Board is of the view that the balance of power and authority is ensured by its operations which comprises experienced and high caliber individuals with a highly independent element. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Company to execute business strategies and decisions efficiently.

## **SECURITIES TRANSACTION OF DIRECTORS**

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard as set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the year under review.

## **PUBLICATION OF 2021 ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.carrywealth.com](http://www.carrywealth.com)). The annual report of the Company containing all the information as required by the Listing Rules will be despatched to the shareholders and available on the same websites in due course.

By order of the Board of  
**Carry Wealth Holdings Limited**  
**Li Haifeng**  
*Chairman and Chief Executive Officer*

Hong Kong, 22 March 2022

*As at the date of this announcement, the Board of the Company comprises Mr. Li Haifeng (Chairman and Chief Executive Officer) being an Executive Director, Mr. Wang Ke, being a non-executive director; and Mr. Wang Shiming, Mr. Yau Wing Yiu and Mr. Zhang Zhenyi, being independent non-executive directors.*